

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
PARISHES OF
CATAHOULA AND CONCORDIA, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

**AS OF JUNE 30, 2012
AND FOR THE YEAR THEN ENDED**

**WITH
INDEPENDENT AUDITOR'S REPORT**



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
PARISHES OF
CATAHOULA AND CONCORDIA, LOUISIANA**

TABLE OF CONTENTS

	Statement	Page
INDEPENDENT AUDITOR'S REPORT -----		1-2
Management's Discussion and Analysis -----		3-6
Government-Wide Financial Statements		
Statement of Net Assets -----	A	7
Statement of Activities -----	B	8
Fund Financial Statements		
Governmental Funds		
Balance Sheet -----	C	9
Reconciliation of the Governmental Funds Balance Sheet -----	D	10
Statement of Revenues, Expenditures, and Changes in Fund Balances -----	E	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -----	F	12
NOTES TO THE FINANCIAL STATEMENTS -----		13-20
REQUIRED SUPPLEMENTAL INFORMATION		
Budgetary Comparison Schedule -----		21
Notes to the Required Supplemental Information -----		22
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> -----		23-24
Schedule of Findings and Questioned Costs		
Schedule of Findings -----		25
Status of Prior Year Findings -----		26
Status of Current Year Findings, Recommendations, and Corrective Action Plan -----		27

INDEPENDENT AUDITOR'S REPORT

Seventh Judicial District
Office of Public Defender
Parishes of Catahoula and Concordia, Louisiana
Vidalia, Louisiana 71373

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Seventh Judicial District Office of Public Defender as of and for the year ended June 30, 2012, which collectively comprise the Office's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Seventh Judicial District Office of Public Defender's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Seventh Judicial District Office of Public Defender at June 30, 2012, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2012, on our consideration of the Seventh Judicial District Office of Public Defender's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 3 through 6 and pages 21 through 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Office, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

This report is intended for the information of the Members of the Office of Public Defender and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silas Simmons, LLP

Natchez, Mississippi
September 17, 2012

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

As Management of the Seventh Judicial District Office of Public Defender (the SJD), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Office for the years ended June 30, 2012 and 2011.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$57,340 in 2012 and \$125,581 in 2011.
- Cash on hand at the end of 2012 was \$60,429 and \$126,873 at the end of 2011.
- Revenues were \$281,871 in 2012 and \$386,794 in 2011.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the SJD's financial statements. The Office's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the SJD's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the SJD's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Office is improving or deteriorating.

The statement of activities presents information showing how the SJD's net assets changed during the most recent fiscal year.

The government-wide financial statements outline functions of the Office that are principally supported by court costs and fees (governmental activities).

The government-wide financial statements can be found on pages 7 - 8 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The basic governmental fund financial statements can be found on pages 9 - 12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 - 20 of this report.

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the net assets at June 30, 2012 and 2011:

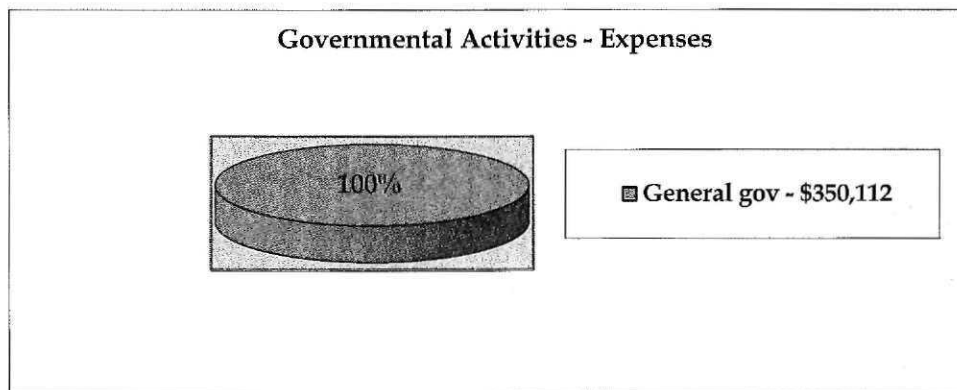
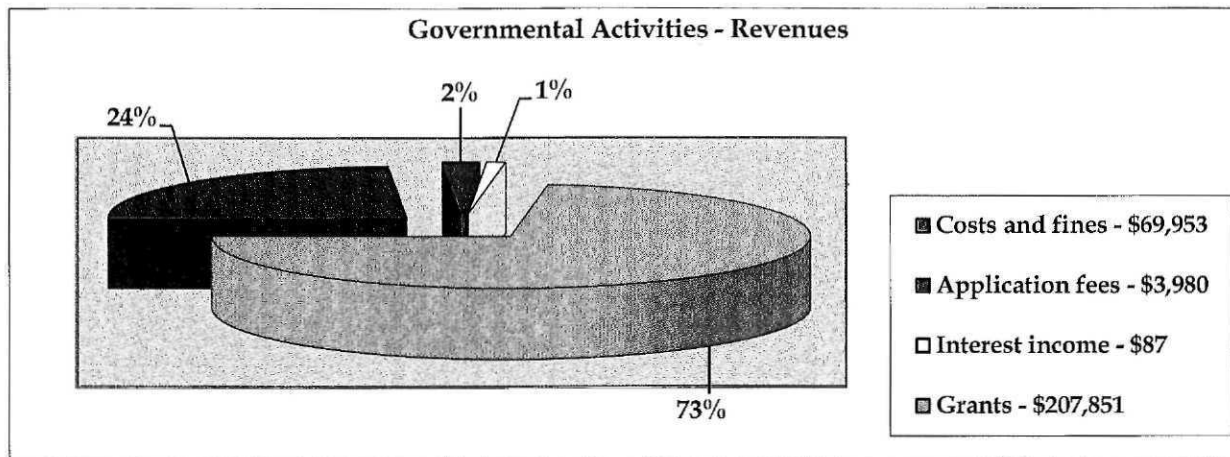
	<u>2012</u>	<u>2011</u>
Current assets	\$ 65,779	\$ 133,937
Noncurrent assets - capital assets	1,256	2,196
Total assets	<u>\$ 67,035</u>	<u>\$ 136,133</u>
Current liabilities	<u>\$ 9,695</u>	<u>\$ 10,522</u>
Net assets		
Investment in capital assets	\$ 1,256	\$ 2,196
Unrestricted	56,084	123,385
Total net assets	<u>\$ 57,340</u>	<u>\$ 125,581</u>

The following is a comparative summary of the statement of activities:

Revenues		
Court costs on fines	\$ 69,953	\$ 68,324
Intergovernmental	207,851	315,791
Application fees	3,980	1,990
Interest income	87	266
Other income	-	423
Total revenues	<u>\$ 281,871</u>	<u>\$ 386,794</u>
Expenses		
General government	\$ 349,172	\$ 394,185
Depreciation	940	940
Total expenses	<u>\$ 350,112</u>	<u>\$ 395,125</u>
Increase (decrease) in net assets	\$ (68,241)	\$ (8,331)
Net assets - beginning of year	125,581	133,912
Net assets - end of year	<u>\$ 57,340</u>	<u>\$ 125,581</u>

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

The following are graphical representations of information presented in the Statement of Activities for Governmental Activities for 2012 and the year then ended:



The notes to the financial statements have additional information presented that is essential to a full understanding of the data provided in the government-wide financial statements.

Comments on General Fund Comparisons

The SJD's budget was not revised during the last year. The budgeted expenditures were \$222,517 and actual expenditures were \$350,029.

Revenue available for expenditures was \$351,446, including beginning equity.

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

CAPITAL ASSETS

During 2012, the SJD purchased no capital assets.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the SJD's finances and to show the Office's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Judy Pugh, 4001 Carter Street, Room 9, Vidalia, Louisiana 71373. The telephone number is (318) 336-5526.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
STATEMENT OF NET ASSETS
JUNE 30, 2012**ASSETS**

Cash and cash equivalents		\$	60,429
Receivables			5,350
Capital assets	\$	13,217	
Less accumulated depreciation		<u>(11,961)</u>	<u>1,256</u>
Total assets			<u>\$ 67,035</u>

LIABILITIES

Current liabilities:

Accounts and other payables	\$	<u>9,695</u>
-----------------------------	----	--------------

NET ASSETS

Invested in capital assets	\$	1,256
Unrestricted		<u>56,084</u>
Total net assets	\$	<u><u>57,340</u></u>

The accompanying notes are an integral part of these financial statements.

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012EXPENDITURES

General government	\$ 350,112
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PROGRAM REVENUES

Court costs on fines	\$ 69,953
----------------------	-----------

Application fees	3,980
------------------	-------

Total program revenues	\$ 73,933
------------------------	-----------

NET PROGRAM EXPENSE

	\$ (276,179)
--	--------------

GENERAL REVENUES

Intergovernmental - state grants	\$ 207,851
----------------------------------	------------

Interest income	87
-----------------	----

Total general revenues	\$ 207,938
------------------------	------------

(Deficiency) of revenues over expenditures	\$ (68,241)
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Net assets - beginning of year	125,581
--------------------------------	---------

Net assets - end of year	\$ 57,340
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The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
BALANCE SHEET
JUNE 30, 2012

ASSETS

Cash	\$ 60,429
Receivables (net of allowance for uncollectibles)	<u>5,350</u>
Total assets	<u>\$ 65,779</u>

LIABILITIES

Accounts and other payables	\$ <u>9,695</u>
Fund balances	
Unassigned	\$ <u>56,084</u>
Total liabilities and fund balances	<u>\$ 65,779</u>

The accompanying notes are an integral part of these financial statements.

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Total fund balances for governmental funds (Statement C) \$ 56,084

Total net assets reported for governmental activities in the statement
of net assets is different because:

Capital assets used by governmental activities are not financial
resources and, therefore, are not reported in the funds. Those
assets consist of:

Equipment	\$ 13,217	
Less accumulated depreciation	<u>(11,961)</u>	<u>1,256</u>

Total net assets of governmental activities (Statement A) \$ 57,340

The accompanying notes are an integral part of these financial statements.

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

REVENUES

Program revenues	
Court costs on fines	\$ 69,953
Application fees	3,980
General revenues	
Intergovernmental – state grants	207,851
Interest income	87
Total revenues	<u>\$ 281,871</u>

EXPENDITURES

General government	<u>\$ 349,172</u>
Net change in fund balance (deficiency)	\$ (67,301)
Fund balance, beginning of period	<u>123,385</u>
Fund balance, end of period	<u><u>\$ 56,084</u></u>

The accompanying notes are an integral part of these financial statements.

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

Net changes in fund balance – governmental fund (Statement E) \$ (67,301)

Amounts reported for governmental activity in the statement of activity is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense (940)

Change in net assets per statement of activities (Statement B) \$ (68,241)

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012**

INTRODUCTION

The Seventh Judicial District Office of Public Defender (The Office), formerly known as the Seventh Judicial District Indigent Defender Office, was originally created in compliance with Louisiana Revised Statute 15:133-149 to serve the Seventh Louisiana Judicial District in representing indigent (needy individuals) in criminal and quasi-criminal cases at the district court level. Pursuant to the passage of Act 307, district indigent defender Offices throughout the State of Louisiana were dissolved and district offices of public defender were created, all serving under the direction of the Louisiana Public Defender Office headquartered in New Orleans. This change went into effect on August 15, 2007. This local office now functions as the Seventh Judicial District Office of Public Defender under the supervision of a Chief Public Defender (domiciled with the Seventh District) in charge of day to day operations, serving the Seventh Judicial District comprised of the Louisiana parishes of Concordia and Catahoula. Derrick Carson of Ferriday, Louisiana serves as the Chief Public Defender for the Seventh District.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Seventh Judicial District Office of Public Defender have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Office (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The Judicial District Office of Public Defender is part of the operations of the district court system. However, the district court system is fiscally dependent on the Concordia Parish Police Jury for office space and courtrooms. In addition, the Police Jury's financial statements would be incomplete or misleading without inclusion of the Office of Public Defender. For these reasons, the Office of Public Defender was determined to be a component unit of the Concordia Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Office and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Office of Public Defender uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Office functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

Governmental Funds

Governmental funds account for all or most of the Office of Public Defender's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Office. The following is the Office's only fund:

General Fund - the operating fund of the Office of Public Defender and it accounts for all financial resources. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Office policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Office of Public Defender operations.

The amounts reflected in the General Fund of Statements A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Office of Public Defender considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues - Revenues are generally recognized when they become measurable and available as net current assets. Court costs are recorded when due. Substantially all other revenues are recorded when received.

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Office as a whole. These statements include all the financial activities of the Office of Public Defender. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from Office users as a fee for services; program revenues reduce the cost of the function to be financed from the Office's general revenues.

E. BUDGETS

The Office of Public Defender uses the following budget practices:

- a. On or before the last meeting of each year, the budget is prepared by fund, function, and activity and includes information on the past year, current year estimated, and requested appropriations for the next fiscal year.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Office of Public Defender may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Office of Public Defender maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	
Furniture and fixtures	5-7 years

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. COMPENSATED ABSENCES

The Office of Public Defender has the following policy relating to vacation and sick leave:

Vacation and sick leave policies are set by the Office of Public Defender. Employees receive four weeks vacation if continuously employed for fifteen years, two weeks vacation if continuously employed for five years, and one week if continuously employed for one year. Vacation leave does not accrue. Sick leave is accumulated at the rate of one day per month beginning with the first full month of employment. Sick leave may be accrued up to a maximum of sixty days. Accrued sick leave is reflected in these basic financial statements. The holidays designated as court holidays by the State Legislature are observed.

The office's recognition and measurement criteria for compensated absences follows: GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if *both* of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

I. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF JUNE 30, 2012

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2012, the Office of Public Defender has cash and cash equivalents (book balances) totaling \$60,429 as follows:

Demand deposits	\$ <u>60,429</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2012, the Office of Public Defender has \$84,692 in deposits (collected bank balances). These deposits are secured from risk by \$84,692 of federal deposit insurance.

NOTE 3 - RECEIVABLES

The receivables of \$5,350 at June 30, 2012, are as follows:

Court costs on fines	\$ 5,350
Less allowance for doubtful accounts	<u>-</u>
Total receivables	<u>\$ 5,350</u>

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2012, is as follows:

Activities	July 1, 2011	Additions	Deletions	June 30, 2012
Furniture and equipment	\$ 13,217	\$ -	\$ -	\$ 13,217
Less accumulated depreciation:				
Furniture and equipment	<u>(11,021)</u>	<u>(940)</u>	<u>-</u>	<u>(11,961)</u>
Capital assets, net	<u>\$ 2,196</u>	<u>\$ (940)</u>	<u>\$ -</u>	<u>\$ 1,256</u>

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF JUNE 30, 2012

NOTE 5 - PENSION PLAN

Plan Description. Substantially all employees of the Seventh Judicial District Office of Public Defender are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate Office of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. [Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980.] The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Funding Policy. [Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Office is required to contribute at an actuarially determined rate. The current rate is 13% of annual covered payroll.] Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Office are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Office's contributions to the System under Plan A for the period ending June 30, 2012 and 2011, were \$18,134 and \$25,567, respectively, equal to the required contributions for each year.

NOTE 6 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$9,695 at June 30, 2012, are as follows:

Withholdings	\$ 2,449
Accounts	<u>7,246</u>
Total	<u>\$ 9,695</u>

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 7 - GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the year ended June 30, 2012, the major sources of governmental fund revenues and expenditures were as follows:

Revenues:

State Government

Appropriations - general	\$	-	
Appropriations - special		-	
Revenue sharing		-	
Grants		207,851	
On-behalf payments		-	
Other		-	
Total		<u> </u>	\$ 207,851

Local Government

Appropriations - general	\$	-	
Appropriations - special		-	
Grants		-	
Statutory fines, forfeitures, fees, court costs, and other		73,933	
Taxes - millages, sales, special, and other		-	
Criminal court fund		-	
On-behalf payments		-	
Other		-	
Total		<u> </u>	73,933

Federal Government

Grants - direct	\$	-	
Grants - indirect (passed-through state)		-	
Total		<u> </u>	-

Other Grants and Contributions

Nonprofit organizations	\$	-	
Private organizations		-	
Corporate		-	
Other		-	
Total		<u> </u>	-

Charges for Services

-

Investment Earnings

87

Miscellaneous

-

Total revenues \$ 281,871

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 - GOVERNMENTAL FUND REVENUES AND EXPENDITURES (continued)

Expenditures:

Personnel Services and Benefits

Salaries	\$ 132,000	
On-behalf payments - salaries	-	
Retirement contributions	18,134	
On-behalf payments - retirement	-	
Insurance	-	
On-behalf payments - insurance	-	
Payroll taxes	3,004	
Other	-	
Total		\$ 153,138

Professional Development

Dues, licenses, and registrations	\$ 4,385	
Travel	-	
Other	51	
Total		4,436

Operating Costs

Library and research	\$ 15,362	
Contract services - attorney/legal	111,936	
Contract services - other	43,214	
Lease - office	2,542	
Lease - autos and other	849	
Travel - transportation	-	
Travel - other	-	
Insurance	8,262	
Supplies	2,998	
Repairs and maintenance	255	
Utilities and telephone	5,342	
Other	838	
Total		191,598

Debt Service

Capital Outlay

Total expenditures	\$ 349,172
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REQUIRED SUPPLEMENTAL INFORMATION

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Budget Favorable (Unfavorable)</u>
Revenues:			
Court cost on fines	\$ 60,000	\$ 71,667	\$ 11,667
Intergovernmental	160,917	207,851	46,934
Application fees	1,400	3,980	2,580
Interest income	200	87	(113)
Total revenues	<u>\$ 222,517</u>	<u>\$ 283,585</u>	<u>\$ 61,068</u>
Expenditures	<u>\$ 222,517</u>	<u>\$ 350,029</u>	<u>\$ (127,512)</u>
Net change in fund balance (deficit)	\$ -	\$ (66,444)	\$ (66,444)
Fund balance, beginning of period	<u>128,929</u>	<u>128,929</u>	<u>-</u>
Fund balance, end of period	<u>\$ 128,929</u>	<u>\$ 62,485</u>	<u>\$ (66,444)</u>

Note: The budget was not amended during 2012.

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the actual data on the budget basis, and variances between the final budget and the actual data.

2. Budget Amendments and Revisions

The budget is adopted by the Office of Public Defender. Amendments can be made on the approval of the Office of Public Defender. A budgetary comparison is presented for the General Fund consistent with accounting principles generally accepted in the United States of America. There were no nonmajor funds.

3. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the General Fund:

Net change in fund balance - budget basis	\$ (66,444)
Increase (decrease)	
Net adjustments for revenue accruals	(1,714)
Net adjustments for expenditure accruals	857
Net change in fund balance - GAAP basis	<u>\$ (67,301)</u>

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE**



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Seventh Judicial District
Office of Public Defender
Parishes of Catahoula and Concordia, Louisiana
Vidalia, Louisiana 71373

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Seventh Judicial District Office of Public Defender as of and for the year ended June 30, 2012, which collectively comprise the Office's basic financial statements and have issued our report thereon dated September 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Seventh Judicial District Office of Public Defender's is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Seventh Judicial District Office of Public Defender's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Seventh Judicial District Office of Public Defender's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office of Public Defender's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. Nor did we identify any deficiencies in internal control over financial reporting that we consider to be a significant deficiency. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office of Public Defender's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an object of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2012-1.

Office of Public Defender's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Office of Public Defender's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the Office of Public Defender and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Silas Simmons, LLP

Natchez, Mississippi
September 17, 2012

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

SECTION 1: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | |
|--|-------------|
| 1. Type of auditor's report issued on the financial statements: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | No |
| 3. Material noncompliance relating to the financial statements? | Yes |

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
SUPPLEMENTAL INFORMATION SCHEDULE
JUNE 30, 2012

STATUS OF PRIOR YEAR FINDINGS

Reference No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
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Section I - Internal Control and Compliance Not Material to the Financial Statements

None

Section II - Internal Control and Compliance Material to Federal Awards

None

Section III - Management Letter

None

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
JUNE 30, 2012

STATUS OF CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2012

Reference No.	Description of Finding	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Section I - Internal Control and Compliance Material to the Financial Statements				
2012-1	<p><u>Budget Law Violation</u> We noted the Office had budgeted expenditures of \$222,517 and actual expenditures of \$350,029. The variance was 6% in excess of the budgeted amount. Louisiana Revised Statute 39:1311 requires expenditures to be within 5% of the amount budgeted.</p> <p><u>Recommendation</u> We recommend that the Office review its budget and current year financial statements monthly and amend the budget to comply with Louisiana law, if necessary.</p>	The Office plans to review its financial statements compared to the budget in the future.	Judy Pugh	6-30-2013
Section II - Internal Control and Compliance Material to Federal Awards				
None				
Section III - Management Letter				
None				